

PROCEEDINGS OF THE BROWN COUNTY
ADMINISTRATION COMMITTEE

Pursuant to Section 19.84 Wis. Stats., a regular and budget meeting of the **Brown County Administration Committee** was held on Thursday, October 23, 2014 in Room 200, Northern Building, 305 E. Walnut Street, Green Bay, Wisconsin.

Present: Chair Fewell, Supervisor Steffen, Supervisor De Wane, Supervisor Jamir
Excused: Supervisor Schadewald
Also Present: Supervisors Lund, Landwehr, Erickson, Van Dyck and Kaster, Troy Streckenbach, Chad Weininger, Brent Miller, Juliana Ruenzel, August Neverman, Maria Lasecki, Sandy Juno, Mary Reinhard, Chuck Mahlik, Dan Process, Carolyn Maricque, Todd VanDenHeuvel, Lisa Remeker-DeWall

I. Call to Order.

The meeting was called to order by Chair Steve Fewell at 5:35 p.m.

II. Approve/Modify Agenda.

Chair Fewell asked that Non-Budgetary Items 10 – 24E be taken first.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve as amended. Vote taken.
MOTION CARRIED UNANIMOUSLY

III. Approve/Modify Minutes of September 25, 2014.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

Comments from the Public. None.

****BUDGET REVIEW****

REVIEW OF 2015 DEPARTMENT BUDGET

1. County Clerk – Review of 2015 Department Budget.

County Clerk Sandy Juno presented her budget to the Committee and indicated that her department is on a two election cycle and this makes their budgeting much easier. One thing that will be changing for next year is that they will be purchasing a laser fiche system for digital imaging which will create scanned documents for County Board agendas, meeting minutes, resolutions, ordinances and other records that will be stored in a digital format. The software provides a user-friendly system for conducting searches for specific words in stored historical documents and records. Search functions will be able to be conducted internally or externally through internet searches.

Juno also recalled the Committee had asked her previously what the projected savings would be from going to summarized minutes for County Board agendas and doing inserts for elections. She noted that there has been a 73% decrease since 2012. Chair Fewell asked what that would equate to in dollars and cents and Juno responded that in 2012 they spent \$133,684 and they are looking to end this year at about \$36,000.

Steffen indicated that the Supreme Court could still put the voter ID rule into play for future elections and asked if Juno had identified a fiscal impact to the County for additional labor at election time if that happened and, if there would be a financial impact, if this impact was incorporated into the budget for 2015. Juno responded that if the ID rule goes into effect, there will not be much of a financial impact to the County because most of the information that her office gets comes from the Government Accountability Board and it would be up to the Clerk's office to determine how much they would choose to print off. She noted that they do have all of the necessary information on their website and they typically steer those looking for

information to the website and therefore Juno did not include any costs for that. In the month the Clerk's office had prepared for the ID rule when they thought they were going to have it, they did not incur any costs; it was simply a matter of making sure their database was up to date. Fewell asked if the GAB would be doing their own education and Juno stated that the GAB has a lot of documentation in place from back in 2011 so moving forward with this would be a fairly simple process. Fewell also asked if the dog tag issue that had been discussed at earlier meetings had been put to rest or if it would impact the Clerk's budget. Jamir stated that on Page 329 of the Budget Book, Juno had listed dog license - municipal data entry of \$1 and kennel of \$1 and since this matter was received and placed on file at an earlier meeting this should be deleted from the budget.

Jamir wished to confirm that the document imaging system that the Clerk's office is using which was discussed earlier is the same as their current system and the plan would be to simply add the laser fiche feature. Juno confirmed this. Jamir continued that on page 46 of the Budget Book, under the maintenance agreement - software, there was an increase and Juno confirmed that that was the software maintenance fee.

De Wane stated that last year Juno estimated her budget to be \$646,354 and the amended budget came in at \$730,899. This year the budget is \$618,258 and De Wane asked if that would be an accurate figure at the end of the year. Juno explained that the difference stems from a two election cycle versus a four election cycle.

Motion made by Supervisor Jamir, seconded by Supervisor Steffen to delete Dog License – Municipal Data Entry of \$1 and Kennel of \$1. Vote taken. MOTION CARRIED UNANIMOUSLY

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to approve the County Clerk's budget as amended. Vote taken. MOTION CARRIED UNANIMOUSLY

2. **County Treasurer – Review of 2015 Department Budget.**

Deputy Treasurer Mary Reinhard and Financial Specialist Chuck Mahlik presented the Treasurer's budget. Reinhard stated that one of the changes to the department this year is with regard to interest earned. The interest that was to be dedicated to Port & Resource Recovery for their long-term funds will basically be going directly to their budget and will not be part of the Treasurer's budget. Reinhard also stated that with regard to expenses, they have had more courier service fees because the courier service is now making pickups at the Museum, Health Department and other locations so nobody is carrying cash into the office. Mahlik stated that departments can enter their deposits directly into the general ledger from their offices and then have a courier pick up from their respective offices rather than having employees transporting cash.

De Wane asked about the advertising and public notices on Page 71 of the Budget Book as he noted that there is an increase of about \$3,000. Reinhard responded that every other year they have to advertise uncashed checks and this is due in 2015.

Jamir noted that there are no new initiatives listed and asked if this was due to a new Treasurer coming in. Reinhard responded that they will be continuing on with getting all departments onboard with the cash receipting system. Currently some departments have their own internal software and the Treasurer has to figure out how to import the information into their system. Eventually the Treasurer's office will also be working on a new tax system software package. At this time it is done internally on the AS400 which is programmed in-house. This will be one of the larger projects they will work on in the future.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve the Treasurer's Budget. Vote taken. MOTION CARRIED UNANIMOUSLY

3. Child Support – Review of 2015 Department Budget.

Child Support Director Maria Lasecki presented the Child Support budget. Lasecki stated that overall the Child Support budget is very conservative again this year. She felt comfortable with the numbers presented as the preliminary numbers have been received and in the estimates that were given they undershot the revenue a little bit, but she noted that they have not increased their expenses.

Lasecki continued that their caseload continues to grow and there is an initiative at the State level that they are looking to implement more of and expand more upon next year. Ultimately they are paid for the number of cases they serve. The Child Support Agency provides services to cases that are not considered IV-D and it is important for Child Support to encourage individuals who are not IV-D to apply for services so they can be served at a higher level and Child Support not be penalized for doing so. Lasecki continued that they currently have 14,150 cases and that is about a 5% increase over where they were a year ago. Fewell noted that Child Support appears firmer on the revenue side and Lasecki agreed and stated she felt good about this.

From a performance standpoint, Lasecki reported that they did very well during the past federal fiscal year. They exceeded the 80% expectation in both court order establishment and paternity establishments which means that they pull down 100% of the funds they are eligible to. Child Support continues to improve in the more challenging areas of current support collections and federal arrears collections. This means that Brown County will earn a large portion of the money that other counties do not earn by not meeting the 80%.

Lasecki stated that Child Support continues to do better and better largely due to their LEAN endeavors as well as the shift in their philosophical approach. She also noted that with regard to the SPSK program, they are currently at 83% employment for graduates and she felt they will continue to see this approve. Lasecki stated that her goal for the next year is to reach 80% in all four categories and she is optimistic that this can be done. Lasecki continued that Child Support is a great value for the County dollars and stated that for every dollar invested by the County, Child Support yields about \$82.50 in support collections and this includes collecting reimbursements on public assistance programming, reimbursements for foster care and collections on arrears. She stated that out of \$25.5 million dollars that needs to be collected, they were successful at bringing in \$19.5 million dollars which leaves \$6 million dollars uncollected and her intent as well as the intent of her staff is to continue to narrow the gap.

Jamir asked how the pay for performance has been going over the last year and how the Child Support Agency has been sharing their program with the other departments. Lasecki stated that she has been asked by other departments about how this is going and she stated that this has all been positive. She believes in their program and she believes in having tough conversations as long as they are held with respect and dignity and with the intent of assisting a person both personally and professionally to re-evaluate where they want to be. The Child Support plan was developed on some core principles that Lasecki stated were attitude, customer service, teamwork, punctuality, and over-the-top contributions. Lasecki continued that each individual in the department did a fabulous job and earned their bonus. She also commented that they made a decision within the department in the interest of LEAN to shift some duties around, but this was not a good decision and resulted in a vacancy in the area they shifted the duties to. She felt that this speaks to pay for performance in that it is a relevant plan that needs to be looked at every day. Lasecki stated that following the vacancy a meeting was held with staff and all of the staff worked hard to come up with solutions and a plan was put in place. This is what Lasecki means when she talks about the relevance and buy-in and engagement and having the hard conversations. It is not about just pointing out the flaws, it is about talking to staff to find out where they feel they are, where they want to be and how they can get there. She continued that it is inspirational to the new staff that they have reinforced teamwork and re-engaged individuals in understanding that the employees need to be listened too. Jamir complimented Lasecki on what she is doing and congratulated her on being County of the Year. Lasecki stated that she cannot accept that distinction herself without giving credit to her staff.

Jamir referenced Page 40 of the Budget Book, under maintenance agreement – software and noted that Child Support was at \$2,400 in 2013, 2014 amended was \$6,700 and this year they are at half of what they were in

2013 and he asked for an explanation. Lasecki responded that she talked at great length with TS about this and noted that the first chunk comes off from the estimate that they were operating on to install and implement the call center software which was greatly needed. The software system was very worth the money and did not end up costing as much as was budgeted so Child Support will not be expending that amount in 2014. Lasecki has worked through TS to obtain a license to a different software system that was not being used by a different department and they were able to save a great deal of money. Essentially their only cost was to write the script that they had to incur to implement the system.

Steffen asked for a quick explanation of the legal clinic and how it would benefit the residents of the County and how it is reflected financially. Lasecki responded that when she took her job she was shocked that there was no legal clinic. She indicated that if Child Support is not able to perform the duties related to the judiciary, they instruct individuals to file pro-se motions and yet there is nowhere to go to do that, and, in addition, some of the language involved in this process is difficult to navigate. Lasecki looked into other counties to find out what they were doing and found that most counties had legal clinics and she began to wonder if it was just something that nobody spearheaded in Brown County. Through research she found out that some of the community agencies had started this but it was still in the dialogue phase. Child Support joined the organizations that were speaking about it and they then jumped into the leadership role and Lasecki was happy to report that they are working with the bar association, an attorney who is willing to take the lead, an individual from the paralegal program at Rasmussen College who will provide interns and they also have help from the Job Center. The legal clinic will have a walk-in format that is designed to assist with family matters as well as housing-related matters. Lasecki is optimistic that they have all of the right stakeholders and she is very anxious as she sees a great need for this legal clinic and is hopeful that it will be operating by January.

Steffen asked how the cost associated with the legal clinic are reflected in the budget. Lasecki responded that there are no costs at this particular point in time. Everything that there is a cost associated with, such as forms, are available to them from other agencies. She does not anticipate that there will be any costs whatsoever to the Child Support Agency, however, she is aware that there may be a grant available if there are financial needs to be met in the future. Steffen felt this was a great idea as people who come to Child Support for services may already be financially challenged and could not otherwise afford legal services.

Supervisor Lund asked about the State grants going down and asked if this was going to be a continued trend as indicated on Page 40 of the Budget Book. Lasecki responded that there have not been any serious reductions in State funding. She stated that last year's budget contained estimates that were higher than what they should have been and the figures on Page 40 are more accurate figures.

Supervisor Van Dyck stated he did not understand why the 2013 actual amount was \$225,000 and why \$562,346 was budgeted in 2014 but now they are dropping back to \$347,361. He continued that in looking at the property tax trends, we were at 343, 401, 356 and 123 and then back up to 344 which seems to be the \$200,000 below the State aid and he asked if that would cause the Department to be over budget. Finance Director Carolyn Maricque explained that Child Support will need funding for 2014. She continued that last year when projections were done since they were not out and they were restoring levels to 2008 they expected more funds to come in than what actually came in. Maricque also stated that Lasecki had communicated to the Committee throughout the year that there would be a shortfall in Child Support because of this. Van Dyck stated that he felt it would be more appropriate in the future to budget at the conservative number of what they know they will receive versus what is anticipated so they do not have that kind of an issue. Lasecki and Maricque agreed with this and Maricque also stated that if it was not for the drastic change with the restoration going back to 2008, she did not feel there would have been an issue. She also noted that the preliminary numbers that were sent out were not correct.

Fewell asked if there was a breakdown of what the expenses were that are included in the intra-county expense – other departments. Lasecki stated that that was for their three cooperative agreements that are essential for doing business and these are with the judiciary in the Clerk of Courts, the FCC and Corporation Counsel. The figure in the Budget Book is what the anticipated charges will be for next year.

Lund wished it to be reflected that the grant and aid revenue dollars are down so they do not have to have this whole discussion at the budget meeting. He also wished it noted that there are only nine supervisors in attendance at the meeting out of 26 and this causes the same discussions to be held on the floor at the budget meeting.

Lasecki stated that for clarification purposes, she can give specific numbers for other department chargebacks: \$102,000 for FCC, \$18,000 to the Clerk of Courts and \$276,881 for Corporation Counsel for the three Child Support attorneys.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve the Child Support budget. Vote taken. MOTION CARRIED UNANIMOUSLY

4. Corporation Counsel – Review of 2015 Department Budget.

Corporation Counsel Juliana Ruenzel presented her proposed budget and indicated that it is pretty straight forward and did not contain many changes from last year. She continued that they did look at their books and subscriptions and got rid of some of the expense associated with that as most items they need are available online. Savings from books and subscriptions will be used for training and dues/memberships as they were lacking funds in this area. Ruenzel continued that Corporation Counsel is taking on the HIPAA issues as well as doing the labor work and employee matters including health insurance related legal issues.

Fewell asked for an explanation of the professional services of \$200. Ruenzel responded that this relates to things like title policies and appraisals.

Steffen noted that he is glad to hear that Corporation Counsel is putting more funds into training because when he reviews the Corporation County monthly summary, the activities they are involved in is amazing and the volume and breadth of the items and issues of law that the department is involved in is large. He tips his hat to Ruenzel and her staff and he felt that the investment in education and training was money very well spent. Ruenzel stated that they are really looking at cross training and have spent a lot of time working on this this year because of succession planning and this has come in handy since they have lost their TPR attorney and the other attorneys are able to pick up the slack but noted that they have still had to put a number of cases on hold. Ruenzel is hoping that the other attorneys are open to taking on some of the Corporation Counsel work to give them more of a diversified office.

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to approve the Corporation Counsel budget. Vote taken. MOTION CARRIED UNANIMOUSLY

5. Dept. of Administration – Review of 2015 Department Budget.

Director of Administration Chad Weininger presented the Administration budget. He highlighted that there are not too many changes in this budget from last year. He noted that other financing sources decreased with the reimbursement of wages by the Financial System Project and the removal of carryover funds from 2014. These funds have shifted to the Project Team LTEs of 1.2 persons. The other thing Weininger wished to make the Committee aware of is that in the past they have spent money on the CAFR and Budget Book, however, in talking with staff it was determined that those dollars could be better used in training to allow staff to learn the changes and regulations in accounting practices.

Motion made by Supervisor Jamir, seconded by Supervisor Steffen to approve the Administration Department budget. Vote taken. MOTION CARRIED UNANIMOUSLY

a. Resolution Approving New or Deleted Positions during the 2015 Budget Process (ADMINISTRATION).

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

6. Technology Services – Review of 2015 Department Budget.

Technology Services Director August Neverman presented the Technology Services budget. Neverman thanked his budget team in putting together the budget and noted that it definitely was a team effort. Jamir referred to Page 58 of the Budget Book and noted that they are going from 225 servers to 245 services and asked if the additional 20 servers were physical servers or virtual servers. Neverman stated that they are virtual services but they are not being broken out and are all being treated the same from a reporting perspective. Neverman stated that some projects could have hardware within them within an RFP and those would be external to the line entry. The actual amount could increase, but the numbers provided are what they are expecting internally from already funded projects and expected projects and noted that it is an estimate only. Jamir wanted to educate the Supervisors and stated that when they are talking about virtual servers, they have one physical server and because of virtualization they can make a number of servers in one so they are using the extra power of one physical server without having to buy another physical and having to use more electricity, more maintenance, more air conditioning and things of that nature.

With regard to the Cisco products in the outlay portion, Jamir questioned what price book was being used; whether it was County, State or Federal discounts. Neverman responded that the default contract is the State contract which is a 40% discount. At times there may be additional discounts available on large orders. The largest discounts they have received are 45 – 48% on large products. Examples of those would be \$234,684 for the Cisco router and \$278,000 for the core switch. If they were made as a combined purchase, they would see a pretty good discount. Jamir asked if this could be timed on a quarterly basis when most of the discounts are applied and Neverman stated that they do that and tend to also go to the end of the fiscal of the corporations they do business with. Jamir asked for explanation on the data backup system. Neverman responded that they are currently using the IBM Tivoli system and this has not been upgraded for a significant amount of time. Jamir stated he does not feel the County needs to be on the leading edge, but he also does not want to be so far behind that it is costing money and he would like Neverman to stay on top of that. With regard to the maintenance agreement on the software on Page 65, Jamir noted that it went from \$805,021 to \$751,449 and asked how this was done and where more savings like this could be found. Neverman responded that this is a one-time savings and they are likely to see the costs come back. Neverman indicated that they eliminated some software because their existing software does the same thing the eliminated software did. Other software that was not being utilized by any departments was also eliminated. Neverman also mentioned that the difference between the software maintenance and software agreements is that software is the initial purchase and the maintenance is ongoing. The software costs are likely to vary a lot more than the maintenance contracts. Maintenance contracts seem to be much more consistent. Jamir also asked about the increase in the software license and Neverman explained that that was for new software relative to projects. As an example, Share Point was purchased and the first purchase goes in software and then after that it goes into maintenance. In the next fiscal they will be purchasing software and those costs represent initial purchases. Jamir also asked what Neverman's strategy was in keeping up with Microsoft licensing. Neverman stated that he patted his team on the back as they have been doing an extremely good job with this. There have been some splits done to save money.

Jamir asked about the contracted services and professional services on Page 66 of the Budget Book as both of these items were reduced. Neverman said that they eliminated the Kaseya work ticket system because in doing a cost analysis they found that it would be \$20,000 - \$50,000 more per year than what the original estimate was so they stuck with the Track It tool and added another tool and because of this they are estimating a \$10,000 decrease in expenses rather than an increase. He also indicated that they aligned the finances a little better by moving the Diggers Hotline and fiber locating costs from Technology Services to the actual service providers. It really was not a cut, but more of a transfer of expenses.

Neverman noted that Technology Services does have an application list and they are working on updating the list and making it more available. He will be meeting with each department to make them aware of all of the applications that are available. The intent is to have departments dovetail off of existing systems and then do a bill back to the departments. This has already been done in several instances and it is working well. By

meeting with individual departments and publishing the list of available applications, the County would save money on purchases but would also save money on reusing licenses and things of that nature.

Fewell asked what the intra county expenses – highway was for on Page 65 of the Budget Book. Neverman answered that they are sharing a vehicle that the Highway Department uses at night and allows TS to use during the day.

Supervisor Landwehr asked for an explanation of the digital signing subscription. Neverman stated that it was a display system with public information, advertising approved by the County, etc. He noted that each area was purchasing these themselves and there were four separate systems in use. This will be standardized on a single system and they will be uniform throughout the County. There will be one at the CTC, one at the Library, several at the Museum and one in the Northern Building. From a licensing standpoint, if one department decides they no longer need the signage, a different department would be able to take over the licensing. Training and support will all be uniform for these units. Neverman stated that they paid once for the equipment and they pay a license fee for the software that does the displaying. They looked at a number of systems and went with the one that suited the needs best.

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to approve the Technology Services budget. Vote taken. MOTION CARRIED UNANIMOUSLY

- a. **Resolution Approving New or Deleted Positions during the 2015 Budget Process (TECHNOLOGY SERVICES).**

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

7. **Human Resources – Review of 2015 Department Budget.**

Sandy Juno provided the Committee with a handout related to this Item, a copy of which is attached.

Human Resources Director Brent Miller presented the HR budget. He pointed out that the salaries reimbursement of \$386,410 is what is paid out for unused casual days. This represents a reduction in the last year due to a policy change in use of casual days. The other point Miller wished to make was with regard to professional services on Page 56 of the Budget Book and noted that the \$123,500 included money allocated to pay Wipfli for the class and comp study that will not carry over so there was a large reduction there.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve the Human Resources budget. Vote taken. MOTION CARRIED UNANIMOUSLY

Year 2015 Non-Division Budgets Review

8. **Capital Projects.**

Chad Weininger explained that Page 271 of the Budget Book sets forth the schedule of capital projects and expenditures and fund balances. The left hand column represents the beginning balance and the right hand column shows the ending balances. Weininger continued that they are anticipating going out to bond for \$2.2 million dollars for the Public Safety 911 computer aided dispatch and also \$5.3 million dollars for highway projects for a total of \$7.5 million dollars. Page 273 of the Budget Book outlines the bonding requests for highway and also the 911 dispatch system. Descriptions of the projects are also contained on the following pages and Page 287 outlines the budgets for the capital projects.

Fewell asked why funds were remaining in the Central Library renovation fund when there are no plans to do anything with it. Weininger responded that that is the money set to repair the library and there was some discussion about the possibility of moving the Library and other discussions as to what should be done. At

this time, Facilities has been working on improvements such as elevators and safety concerns to keep the Central Library functional until the Board decides how they would like to move forward.

With regard to the bonding mentioned, Steffen asked if overall there will be a reduction in total tax levy support of debt. Weininger stated he would address this more under the debt services portion, however, he did indicate that realistically in this budget they are proposing the elimination of \$4.5 million dollars in debt principal.

De Wane asked if they could avoid bonding for any of the proposed projects. He would rather see projects paid for up front when possible. Weininger responded that he will assess the projects to come up with the best options. Lund stated that he looked at some of the smaller projects and would like to see funds found some place in the budget. Weininger stated that he would take a look at some alternatives and discuss this at a later meeting. Maricque explained that the reason some of the smaller projects are included in the bonding is because they are the preliminary projects for larger overall projects. Maricque stated that there are descriptions on Page 279 for the projects in question.

Van Dyck stated Item 5 is a \$118,000 project, of which \$106,000 is coming from the federal government which leaves \$12,000 left and he did not feel this is something that should be bonded for. Maricque stated that there are levy dollars in the capital projects fund and it can be identifying the levy dollars for the smaller projects, but some of the projects are bigger projects overall and were not compartmentalized.

**Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve the Capital Projects.
Vote taken. MOTION CARRIED UNANIMOUSLY**

9. Debt Service.

Weininger stated that this is set forth in Page 298 of the Budget Book and shows the total outstanding indebtedness which is \$137,504,265. Fewell asked what percentage of debt this is and Weininger responded that there is 85% of the debt limit available. Lund remarked that they look to bond all of these projects, but then they pay so much per year in debt service and he agrees with the fact that some day they should be out of the debt service for anything but buildings that last 50 – 60 years and roads should be paid as we go because the County is putting money into roads every year. This is paying a debt on an old road with our debt service levy every year and then more debt is added to it. He would suggest that the County start eliminating debt on roads. Steffen felt that what Lund spoke of is possible and indicated that in the Village of Howard they have zero tax levy debt. They save money to pay for their expenses and work primarily on a cash basis.

**Motion made by Supervisor Steffen, seconded by Supervisor De Wane to approve the Debt Service Budget.
Vote taken. MOTION CARRIED UNANIMOUSLY**

10. Taxes, Special Revenues, Certain Internal Service & Fiduciary Funds.

Weininger stated that information as to taxes, special revenues, certain internal service and fiduciary funds is set forth on Page 302 of the Budget Book.

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to approve Taxes, Special Revenues, Certain Internal Service & Fiduciary Funds. Vote taken. MOTION CARRIED UNANIMOUSLY

****NON-BUDGET ITEMS****

11. Review Minutes of:

- a. **Housing Authority (September 22, 2014).**

Motion made by Supervisor Steffen, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Communications

12. **Communication from County Board Chairman Moynihan re: Conducting County Business by use of electronic capabilities. *Held for one month.***

Chair Moynihan was unable to attend this meeting, however, Technology Services Director August Neverman was in attendance and provided the Committee with a handout, a copy of which is attached. Fewell asked if this was included in the County Board budget and it was indicated by that it was not. Weininger indicated that it was discussed having this referred to Executive Committee for further discussion.

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to refer to Executive Committee. Vote taken. MOTION CARRIED UNANIMOUSLY

Technology Services

13. **Discussion re: Portable Computing Proposal September, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to refer to Executive Committee. Vote taken. MOTION CARRIED UNANIMOUSLY

14. **Director's Report.**

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

County Clerk

15. **Budget Status Financial Report for September, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Treasurer

16. **Budget Status Financial Report for July and August, 2014.**

Deputy Treasurer Mary Reinhard stated that the Treasurer's Office has a positive budget variance through August.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

17. **Treasurer's Financial Report for June, July and August, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

Child Support

18. **Budget Status Financial Report for September, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

19. **Director's Report.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Department of Administration

20. **Administration Budget Status Financial Report for September, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

21. **2014 Budget Adjustment Log.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

22. **Director's Report.**

Director of Administration Chad Weininger stated that at the last Administration Committee meeting he brought up the issue with the SEC Municipal Continuing Disclosure Cooperation Initiative. He indicated at that meeting that he stated he intended to seek outside bond counsel to review past bonds to see if there was an opportunity to do any self-reporting to the SEC that would be beneficial to the County. PFM has done an investigation and contacted all of the past underwriters that would have reported to the SEC and the only one that did not was the one that was discussed at the last meeting which was Baird. Weininger provided a handout in this regard and a copy is attached.

Weininger continued that the County has now had an opportunity to talk to Baird and Baird did talk to the SEC and Brown County was taken off their reporting list so the County should not face any other issues. Weininger is still recommending that he seek outside bond counsel to examine the records. Weininger stated that there is no action necessary at this time and he will keep the Committee updated.

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Human Resources

23. **Budget Status Financial Report for September, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

24. **Activity Report for September, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

25. **Director's Report.**

Human Resources Director Brent Miller advised the Committee that with regard to the insurance activity, an RFP was conducted for the third party administrator for the flex spending HRA and the VEBA accounts and they got very good results back. The new vendor for the employee benefits will be Employee Benefits Corporation and this will result in savings of \$51,000 over the three year contract with the possibility of extending the contract to four years.

Motion made by Supervisor Jamir, seconded by Supervisor Steffen to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Corporation Counsel**24a. Director's Report.**

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Other**26. Audit of bills.**

Motion made by Supervisor De Wane, seconded by Supervisor Jamir to pay the bills. Vote taken. MOTION CARRIED UNANIMOUSLY

27. Adjourn.

Motion made by Supervisor Schadewald, seconded by Supervisor De Wane to adjourn at 7:07 p.m. Vote taken. MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Alicia Loehlein
Recording Secretary

Therese Giannunzio
Transcriptionist

Attachment A		Employees				Brown County	
CATEGORY	PHA Points	Prem %	Single	Family	Single	Family	
GOLD	86-100	12%	\$ 62.32	\$ 165.85	\$ 457.05	\$ 1,216.24	
SILVER	71-85	15%	\$ 77.91	\$ 207.31	\$ 441.46	\$ 1,174.78	
BRONZE	61-70	18%	\$ 93.49	\$ 248.78	\$ 425.88	\$ 1,133.31	
STANDARD	60 & Below	22%	\$ 114.26	\$ 304.06	\$ 405.11	\$ 1,078.03	
TOBACCO USER		42%	\$ 218.14	\$ 580.48	\$ 301.23	\$ 801.61	
NON-PARTICIPANT		50%	\$ 259.69	\$ 691.05	\$ 259.69	\$ 691.05	
Deductibles							
Employee pays	Deductible		\$ 2,000.00	\$ 4,000.00			
Employee pays	Out-of Pocket Max		\$ 4,000.00	\$ 8,000.00	Tier 1 90%; Tier 2 80%; Out of Network 50%		
GOLD	86-100		\$ -	\$ -	\$ -	\$ -	
SILVER	71-85		\$ 15.59	\$ 41.46	\$ 187.08	\$ 497.52	
BRONZE	61-70		\$ 31.17	\$ 82.93	\$ 374.04	\$ 995.16	
STANDARD	60 & Below		\$ 51.94	\$ 138.21	\$ 623.28	\$ 1,658.52	
TOBACCO USER			\$ 155.82	\$ 414.63	\$ 1,869.84	\$ 4,975.56	
NON-PARTICIPANT			\$ 197.37	\$ 525.20	\$ 2,368.44	\$ 6,302.40	
County HRA Funding: \$1,050/\$2,100 (Hired before Jan.1, 2014); and \$750/\$1,500 (Hired after Jan.1, 2014)							
Employees haven't seen the Reasonable Alternative Standards and they are not posted on the internet.							
Based on 2013 PHA less than 20% of Brown County Employees are in the Gold category.							
Based on 2013 PHA over 80% will have premium increases; some will be excessive.							
After deductibles are met (\$2,000/\$4,000), employees still pay until they reach the out of pocket maximum (\$4,000/\$8,000).							
Sheriff Non Supervisory employees pay 12% premium and no PHA required per contract.							

Attachment B	Doctors Rated by UMR Premium Designation Program				
	Ranked	Yes Tier 1	Yes Tier 2	No NP/PA	No Retail
Office Visit Co-pay		\$15	\$30	\$30	\$10
% of Coverage by Insurance		100%	80%	80%	100%
Ranked % Across US		16.60%	83.40%	100%	100%
Ranked % in Brown County		14.50%	85.50%	100%	100%
		UMR doesn't provide a list of Tier 1 and Tier 2 doctors; employees need to look them up on web.			
		UMR doesn't provide information on the criteria and facts used to rank doctors as Tier 1 or Tier 2			
		Retail clinics aren't ranked yet have the lowest copay and has 100% coverage.			
		All Nurse Practitioners and Physician Assistants are not ranked, so the employee pays the highest copay and has 80% coverage			
		85.5% of doctors in Brown County are rated in Tier 2, which means employees will pay the highest copay and 80% coverage			
		Preventative/Routine care is covered at 100% whether a Tier 1 or 2 doctor; but we haven't been provided with specific information as to what this covers			

Oct. 23, 2014

Brown County Administration Committee

I am writing in regard to agenda item #~~8~~⁷, Human Resources 2015 budget, item #9, regarding Health and Dental Insurance Budget (page 310 of Budget Book).

Recently, county employees were given a presentation on the county moving to a premium designation plan. Under this plan, employees' percentage of the insurance premium allocation ranges from 12% to 50% of the premium; thus reducing the amount of the premium Brown County pays. Employees are assigned to categories based on their Personal Health Assessments (PHA) with Bellin Health that are currently taking place.

This means a few employees in the "Gold" category (estimated at 20%) will have no increase in premium; and many employees (estimated at 80%) will have substantial increases in their premiums. The 80% of employees not in the Gold category will have annual premium increases of \$187.08 to \$6,302.40 depending on a single or family plan and their categorization (refer to chart A).

In addition, UMR ranks doctors as either Tier 1 or Tier 2 based upon some criteria, which they haven't provided to employees. According to UMR, only 14.50% of doctors in Brown County are ranked Tier 1. A Tier 1 ranking has a \$15 co-pay and 100% coverage. A Tier 2 (doctors, nurse practitioners, and physician assistants) ranking has a \$30 co-pay and 80% coverage. Out of Network doctors have only 50% coverage. However, Retail Clinics are not Tier 1, and have a \$10 co-pay with 100% coverage. (Refer to Attachment B.)

In addition to an increase in the insurance premium, employees still have a medical deductible to meet of \$2,000/\$4,000; and a maximum out of pocket of \$4,000/\$8,000. Likewise, we have a prescription drug deductible out of pocket maximum of \$1,500/\$3,000.

Many Brown County employees have concerns about the proposed insurance plan in the 2015 Budget; and, we are requesting that the County continue the PHA standard insurance program that we have today for a number of reasons.

1. In Brown County, only 14.5% of doctors are rated as Tier 1 by UMR. Likewise, there is no comprehensive list of Tier 1 doctors available to employees. You have to go to the UMR website and conduct searches. This is a very time consuming and a frustrating process.
2. UMR has not provided any information to employees as to the criteria used to rank doctors as Tier 1 or Tier 2. It is extremely important for employees to understand what factors are used to rank doctors. A Tier 1 rank is meaningless unless employees can evaluate the criteria used in the ranking system. We need to know if this ranking is about quality care or cost savings in order to wisely choose a medical provider.

3. Employees served by nurse practioners and physician assistants are penalized because they are not ranked and are automatically Tier 2. This means employees will have a \$30 co-pay and 80% coverage. This penalizes the employee financially.
4. Retail clinics are not ranked (Tier 2) yet they have a \$10 co-pay and 100% coverage (the same as Tier 1 doctors). This leads me to believe "Tier 1" rankings are about cost savings over quality care.
5. Brown County has not provided Reasonable Alternatives to employees who improve their PHA assessment rating and categorization during the year. We should know the rules before a change in plan is implemented. Reasonable Alternatives should be fair, consistent, cost efficient, and manageable. Reasonable Alternatives shouldn't be made up as we go along.
6. Brown County hasn't provided information as to how employees will be reimbursed if their PHA categorization improves during the year. Will refund checks be issued to reimburse employees for higher premiums paid?
7. Although this plan says it promotes good health practices, it financially penalizes employees who have hereditary genetic and health problems affecting PHA results. In addition, advancement in age and disability can be a factor in less than desired PHA results. Employees come in all shapes and sizes, please don't categorize us.
8. Over 80% of employees will see a reduction in their take home pay because of increasing insurance premiums with the proposed plan. Some insurance premium increases will be excessive. A proposed 1% cost of living increase won't even begin to cover the increased cost of insurance premiums.
9. In 2015, sheriff non-supervisory employees will pay a 12% health insurance premium and no PHA is required per their contract. Please treat all employees equal.

It is important that Brown County employees have health insurance benefits that are affordable. We need to retain them in our workforce. It is costly to recruit new employees and with the health plan proposed it is likely that the candidate pool of future applicants will shrink.

In summary, there simply isn't enough information available to employees regarding the proposed changes in the health insurance plan. There are still many unanswered questions. Employees won't receive their PHA results until after the 2015 Budget is passed. At that point it will be too late to address the impact this insurance proposal will have on employees.

Therefore, on behalf of many Brown County employees, I ask that you consider retaining the 2014 insurance plan in the 2015 budget.

Thank you for listening.

Sandy Juno

BOARD OF SUPERVISORS

Brown County



2444 BABCOCK ROAD
GREEN BAY, WISCONSIN 54313
PHONE (920) 544-8322

PATRICK W. MOYNIHAN, JR.
SUPERVISOR - DISTRICT 22

TO: Brown County Administration Committee

FROM: Patrick W. Moynihan, Jr.
Chairman, Brown County Board of Supervisors

DATE: July 16, 2014

SUBJECT: Conducting County Business by Use of Electronic Capabilities

Presently, 2.13 (5) (F) of the Brown County Code of Ordinances reflects that recording secretaries must include in each County Board Standing Committee, Commission, Board, etc. meeting minutes, all motions, actions taken on motions and discussion pertinent to the subject matter. I find this practice both time consuming from the secretarial perspective and costly in terms of tax dollars (ink, paper, postage, potential staff overtime, etc.). Nevertheless, during the previous supervisory term, the County Board chose to continue this practice.

Therefore, for your consideration, as an alternative to the aforementioned, I request that we as a board, working in concert with Technology Services, investigate the types of products (i.e. Laptops, Tablets, etc.) offered in today's electronics market and the associated costs incurred. Perhaps by taking this approach, we may find that the county board may conduct business in a more "paperless" fashion, thus potentially saving tax dollars.

I respectfully ask that we undertake this request.

Regards,

A handwritten signature in black ink, appearing to read "Patrick Moynihan, Jr.", written over a horizontal line.

Patrick W. Moynihan, Jr.
Chairman, Brown County Board of Supervisors

Confirmed	Type	Summary	Detail	3-5yr Cost	Annual Cost	Notes
✓	Device	Original iPad Purchase Cost \$599 + \$13.99 case	iPad	\$612.99		Required
✓	Labor	Initial iPad Image Setup Labor at \$34.20/hr	1 hour	\$34.20		Required. Estimating 40 hours to create the "tablet image" and then one hour per device to deliver to Supervisors so \$1368 to create the initial image (and recreate updates).
est	Licensing	Anti-Virus	Software		\$35.00	Not currently required for the iPad, but will likely be required in the near future with new attacks. Currently there is a version of Kaspersky for the Android
✓	Licensing	AirWatch Security License	Software		\$55.00	Required; Mobile Device Management - meets HIPAA/open records, PCI and other security controls
✓	Licensing	Microsoft Office 365 (web access to full office features)	Software		\$72.00	Optional; suggesting as we are recommending Supervisors should do all correspondence using Brown County email
est	Cellular	Annual 4G LTE Cellular Data Estimated Support Labor at \$34.20/hr with 8 hours per year	\$60/mo		\$720.00	Optional but not recommended Required; however is an estimate only, we are guessing 20% of an FTE could be as low as 10%. This includes application support, device support, user support, patching, Airwatch maintenance and related email/system support;
est	Labor	Subtotal for 1 device	8 hours	\$647.19	\$1,155.60	
		subtotal for 26 devices		\$16,826.94	\$30,045.60	
est	Labor	Default image - labor hours	80	\$2,736.00		Required: initial setup, policy creation, software builds and image builds; this is a single cost regardless of the number of devices
	Device	Spare Units for breakage			\$1,225.98	Assumes 2 replacements per year
	raw costs	1st year and 3/5 yr recurring for 26 iPads		\$49,608.54		Combines annual cost with 1st year
	raw costs	Annual recurring between updates for 26 iPads			\$31,271.58	Only ongoing operating and INCLUDES cellular data
IF WE ELIMINATE THE CELLULAR DATA AGREEMENTS - THE COSTS DROP by \$720/device per year						
	raw costs	1st year and 3/5 yr recurring for 26 iPads		\$30,888.54		Combines annual cost with 1st year WITHOUT CELLULAR DATA
	raw costs	Annual recurring between updates for 26 iPads			\$12,551.58	Only ongoing operating WITHOUT CELLULAR DATA
	Assuming a 3yr cycle 3yr Replacement Cycle			\$30,888.54	\$18,663.90	This would recur forever and would cover the new hardware every 4th year - so no big hit; this matches way the desktop replacement plan works
					\$717.84	per device per year as long as the program is supported

12

From Supervisor Jamir for 10/23 Admin meeting regarding 2015 TS Budget

1. 1-Servers...are we increasing by 20. Are these physical servers? How many virtual servers? Is this part of the county wide replacement plan?
 - a. Good question, as this can be confusing. We are not adding physical servers. (please note there could be physical servers through special projects). TS is estimating a total of 20 virtual (VMware) servers, this could vary with the projects. We have no physical servers in the 2015 budget.
 - b. This is not entirely part of the county replacement cycle
 - i. File share replacement is part of the plan. We are also retiring (slowly) the file share physical hosts and migrating them to virtual. SharePoint will be taking over a bulk of the file shares in the next two to three years.
 - ii. A new server such as MoveIT Secure FTP and/or Symantec Email Archiving (or similar) will require net new virtual servers.
 - c. The number of virtual servers varies over time. I can run a point in time VMware host report but we can only estimate the exact number VM hosts for all of 2015.
 - d. We are buying HP through state contract pricing. The most we pay is state contract price OR whoever is lowest for a specified hardware config. This includes servers and 3PAR SAN storage expansion. Sometimes this is through CCCP other times through other state vendors.
2. 2-page 61, Technology Outlay for Cisco Hardware...what contract are we buying from...what discount are we getting? What does the data backup system consist of for \$160k. How will this enhance the county's disaster recover & business continuity plan?
 - a. **Discount.** We are buying Cisco through state contract at 40% off list. If we can get it lower we do. The most we pay is state contract price OR whoever is lowest for a specified hardware config. The Cisco rep will increase the discount to 45% or 48% if we do large purchases.
 - b. **Business Continuity (BC)** is quite good. Almost all VMware hosts and cisco network gear is replicated between Sophie Beaumont and Jail data centers.
 - i. Voice has full failover and has been tested live (router was unplugged and voice stayed up). (*inbound alternate routing with IP Flex through AT&T and Cisco*)
 - ii. Internet is a single point of failure. In 2015 we will be adding a 2nd router and dissimilar path. This is new project is and is listed as \$24,500
 - iii. Cisco Core Switch \$278k and Cisco Router \$235k are part of the replacement plan – these are an example of large projects that will likely receive additional discounts.
 - c. **Disaster Recovery (DR)** exists but can be improved.
 - i. The \$160k is a project for 2015 to replace IBM Tivoli backup system with a more automated tool (not selected yet). This will be the 1st real step in Disaster Recovery (DR) improvements. The new system will provide better DR and BC, and reduce labor slightly– hopefully matching up to the nearly doubled backup needs.
 - ii. Please note we will be submitting more requests for DR related needs in 2015 for 2016. Examples:
 1. Will submit for hot spares,
 2. Possible additional video storage
 3. Possible tape system expansion

- 4. Cross county partnership for DR possibly co-locating with Outagamie if we can get dark fiber. In the interim we may be able to get point to point microwave 400mb for about \$300k to \$600k.
 - 5. Individual system DR plans, sparing / recovery plan for SAN and HP physical servers hosts.
 - 6. Bare metal restore plans/cost planning.
 - iii. Given current project workload I estimate the plan will be done in mid 2016.
- 3. 3-page 65, Maint Agreement Software decrease of \$53,572 (6%). Nice...details please. How can we realize these savings for other departments? Software Licenses increase of \$23,721, details please...Microsoft True-up?
 - a. Maint Agreement Software – one time decrease because:
 - i. We eliminated RSA DLP security software. *Please note: It is likely we will be implementing comparable Threat management in the future if they are fully funded. Whatever we do we will need to ensure labor, licensing and compliance are all addressed in any solution.*
 - ii. We eliminated Zix (not installed AND Cisco Ironport does basically the same thing) email encryption and filtering.
 - b. Things we are doing to control expenses
 - i. We locked into some 3 year pricing.
 - ii. We try to get group pricing (combining purchases)
 - iii. Consider various service agreements – could we go to silver from a gold package? Consider internal service? Consider 8x5 instead of 24x7?
 - iv. Consider switching vendors if prices justify the cost of change.
- 4. How can we realize savings for other departments?
 - a. **Identify systems.** Many departments have individual agreements. To find out about those systems we created an application list, which was started in June 2014. The goal is to have the list reviewed at least once by every department by June 2015.
 - b. **Consolidate over Time.** As systems are replaced go to a single system. Examples include
 - i. Use the apps list to reduce application proliferation (encouraging standardization)
 - ii. As systems are retired or new systems purchased consider standardizing on a single tool.
 - iii. Working with purchasing and departments to limit the ability of departments to purchase software without TS involvement. (Active through meetings and policy) Today this is a fairly big challenge
 - iv. Eliminate duplicate software. (existing successes) A bulk of this is complete for the “low hanging fruit” – Microsoft licensing, Laserfische (document retention), Milestone cameras system, digital displays, LOGOS (financials), and KRONOS (timekeeping) are all centralized
 - v. Opportunities:
 - 1. Webex – purchased and planned for March-Sept rollout in 2015 replacing numerous stand alone conferencing including Skype and Google Talk which are free but don’t meet open records
 - 2. Video editing software – will review and purchase one tool for various departments, although not likely cheaper from a purchase perspective it will be cheaper from a training and support perspective.

3. Scheduling Software – trying to get it standardized into Kronos, and if not Kronos into a single system instead of numerous independent systems.
- c. Likely Increases over time
 - i. Please be aware it is likely we will see increases in costs for 2016 due to general cost increases, new TS systems (new email archiving, new FTP service), new customer systems and system expansions such as LaserFishce document management and Milestone Video Surveillance.
 - ii. *Microsoft*: we first pay in Software, then recur expenses in Software Maint. The cost gives us software assurance, ie: version protection, True-Up, training materials, legal “test” copies and numerous other features.
 1. Likely 3 to 5% increase in overall base cost (at next 3yr renewal).
 2. New licensing Office 365 and SharePoint
 3. New Server Licenses, seat licenses for products such as Visio. All can impact the one time and ongoing expenses.
 4. We can expect this increase in software licensing to continue across all departments and software varying from 0% to 7% increases in service fees and licensing annually for status quo support.
5. **Software increases?** It did go up \$23k. The costs fluctuate year to year based on projects. This cost is the one time portion of expenses (not recurring). So we can expect to see this increase or decrease over time with specific activity.
6. **Page 66, Contracted & Professional Services...\$68,338 savings. Details please.**
 - a. This is recurring expense over time, plus some one time consulting. So this will vary with projects AND with maintenance of systems.
 - b. Specifically
 - i. Cut Kaseya – we cut Kaseya Software Maint. Instead we stuck with TrackIT (work order) and Bomgar (remote control). The combined products should remain at least \$10k cheaper than the Kaseya product would have cost (*and not require as much care and feeding as Kaseya would have*).
 - ii. We moved BCCAN costs (diggers hotline and fiber locates) of \$22k to the BCCAN budget, no real overall change just matching revenue to expense.
 - c. From time to time pro-services fluctuates fairly significantly. The types of labor include Network/Switch/Router Engineering and high end server (exchange/SQL/sharepoint) consulting. We estimated most the work would be internal staff during the 2015 fiscal, so lower outsourcing expense. That can change with projects annually.



The PFM Group

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October 22, 2014

Mr. Chad Weininger
Brown County Director of Administration
Northern Building
305 E Walnut St
Green Bay, WI 54305
(920) 448-4035
Weininger_CJ@co.brown.wi.us

RE: SEC's Municipalities Continuing Disclosure Cooperation ("MCDC") Initiative

Dear Chad,

The purpose of this letter is to briefly summarize the U.S. Securities and Exchange Commission's MCDC Initiative and how the initiative relates to Brown County.

Background

Issuers and purchasers of municipal obligations are subject to certain SEC rules (e.g., "Rule 15c2-12") regarding annual disclosure of certain financial and operating data. Rule 15c2-12 generally prohibits any underwriter from purchasing or selling municipal securities unless the issuer has committed to providing continuing disclosure regarding the security and the issuer, including information about its financial condition and operating data. Rule 15c2-12 also generally requires that any final Official Statement prepared in connection with a primary offering of municipal securities contain a description of any instances in the previous five years in which the issuer failed to comply, in all material respects, with any previous commitment to provide such continuing disclosure.

On March 10, 2014 the Division of Enforcement of the SEC announced the MCDC Initiative, which is intended to address violations of Rule 15c2-12 by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents.

The following is a brief summary in "plain English":

- The SEC is concerned that too many issuers don't timely file their annual financial and operating data and notices of "material events" with the Municipal Securities Rulemaking Board ("MSRB").
- The SEC can't "punish" issuers for not filing information with the MSRB, but it can punish issuers if the issuer represents in an Official Statement (i.e., the offering document for a municipal debt issue) that the issuer has complied with all aspects of Rule 15c2-12 when in fact the issuer has not.
- The SEC can punish underwriters for purchasing debt issues without doing due diligence as to the accuracy of the issuer's representation of compliance with Rule 15c2-12 in the Official Statement.
- The MCDC Initiative was designed to have issuers and underwriters self-report to the SEC instances of when Official Statements misrepresented Rule 15c2-12 compliance during the period September 9, 2009 through September 9, 2014.
- The SEC incentivized underwriter's to report all potential inaccuracies during the five-year look back by creating a single dollar amount fine regardless of the number of issues that were included.

22



Brown County

Below is a list of the 12 Brown County primary offerings that were issued between September 2009 and September 2014. There were nine underwriting firms that purchased one or more of Brown County's primary offerings during this period. One firm (i.e., Baird) initially reported two of County's Official Statements as "may be inaccurate" to the SEC as part of the MCDC Initiative.

Date of Issue	Obligation	Amount Issued	Purchaser	Reported to SEC
07/01/2010	Series 2010A	15,615,000	Fifth Third	no
07/01/2010	Series 2010B (BABs)	5,600,000	M&I Bank / BMO	no
12/01/2010	Series 2010C (BABs)	4,750,000	R.W. Baird	yes / retracted
05/01/2011	Series 2011A	10,440,000	R.W. Baird	yes / retracted
06/01/2012	Series 2012A	9,215,000	Janney	no
10/10/2012	Series 2012B (AMT)	3,810,000	R.W. Baird	no
10/10/2012	Series 2012C	3,225,000	PNC	no
06/05/2013	Series 2013A	6,460,000	Raymond James	no
10/09/2013	Series 2013B	1,905,000	Piper Jaffray	no
10/09/2013	Series 2013C (AMT)	3,715,000	Morgan Stanley	no
10/09/2013	Series 2013D	9,060,000	BMO	no
06/11/2014	Series 2014A	5,665,000	R.W. Baird	no

It is our understanding that Baird initially identified Official Statements associated with the Series 2010C and Series 2011A issues as "may be inaccurate" because the Official Statements read: "The County has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events," and the following two concerns:

- Baird was unable to confirm that the County's audited financial statements for the fiscal year ended December 31, 2006 were timely submitted to all four repositories (this was pre MSRB's EMMA website, which went online in 2009).
- The operating data portion of the annual report (financial statements and operating data together comprise the annual report), was late by 71 days for fiscal year ended December 31, 2010.

After phone conferences with County staff, PFM, Whyte Hirschboeck Dudek and Baird, it was determined by Baird that the County was in substantial compliance and the Series 2010C and Series 2011A issues should not be reported to the SEC under the MCDC Initiative. The two reasons were as follows:

- The County was able to provide copies of transmittal letters sent to the four repositories showing timely filing of the County's audited financial statements.
- The County's CAFR for fiscal year ended December 31, 2010 was filed in a timely manner, and a review of the contents of the County's CAFR showed that materially all of the operating data requirements were included in the CAFR.

When the SEC made a follow up request for information from Baird regarding its long list of reported issues, Baird decided to remove the County's two issues it initially reported as "may be inaccurate."

22



Brown County, Wisconsin
October 22, 2014

Please let me know if you would like to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian J. Della".

Brian J. Della
Senior Managing Consultant

A handwritten mark or signature in the bottom right corner of the page, consisting of a stylized, cursive-like scribble.